Supreme Court, U.S.
FILED
SEP 29 1995
OFFICE OF THE CLERK

No. 95-524

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1995

VORNADO AIR CIRCULATION SYSTEMS, INC.,
Petitioner,
v.
DURACRAFT CORPORATION,
Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE TENTH CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

Edward M. Prince*
Peter W. Gowdey
Richard L. Kirkpatrick
CUSHMAN DARBY & CUSHMAN, L.L.P.
1100 New York Avenue, N.W.
Ninth Floor
Washington, D.C. 20005-3918
202/861-3000
Attorneys for Petitioner
*Counsel of Record

PRESS OF BYRON S. ADAMS, WASHINGTON, D.C. 1-800-347-8208

153pp

QUESTION PRESENTED

Should a manufacturer be able to use federal patent law as a shield for confusing consumers with copies of another's product shape which is valid and protectable as trade dress under federal trademark law?

STATEMENT PURSUANT TO RULE 29. 1

Vornado Air Circulations Systems, Inc. ("Vornado") has no parent companies, subsidiaries, or affiliates that have issued shares to the public.

TABLE OF CONTENTS

Page

QUESTION PRESENTED i

STATEMENT PURSUANT TO RULE 29.1 ii

TABLE OF CONTENTS iii

TABLE OF CASES AND AUTHORITIES v

PETITION 1

OPINIONS BELOW 1

JURISDICTION 2

STATUTORY PROVISIONS INVOLVED 3

STATEMENT OF THE CASE 4

SUMMARY 4

BACKGROUND 6

1. The District Court Decision 6

2. The Tenth Circuit Decision 11

REASONS FOR GRANTING THE PETITION 13

1. The Decision of the Tenth Circuit Conflicts with Decisions of the Sixth, Seventh and Other Circuits 13

2. By Using A Patent to Nullify a Valid Trademark As a Matter of Policy, the Tenth Circuit Has Undermined the Carefully Balanced System of Federal Intellectual Property Law 22

CONCLUSION 25

TABLE OF CASES AND AUTHORITIES

FEDERAL CASES

Aronson v. Quick Point Pencil Co.,
440 U.S. 257 (1979) 14

Black & Decker, Inc. v. Hoover Service Ctr.,
886 F.2d 1285 (Fed. Cir. 1989) 23

Bonito Boats, Inc. v. Thunder Craft Boats, Inc.,
489 U.S. 141 (1989) 10, 16, 17, 18

Brunswick Corp. v. Spinit Reel Co.,
832 F.2d 513 (10th Cir. 1987)
. . . . . 7, 9

Cable Elec. Prods. Inc. v. Genmark, Inc.,
770 F2d 1015 (Fed. Cir. 1985) 9

Clamp Manufacturing Co. v. Enco Mfg. Co.,
227 U.S.P.Q. 335 (C.D. Cal. 1985),
later proc., 5 U.S.P.Q.2d 1643 (C.D.
Cal. 1985), aff'd 870 F.2d 512 (9th
Cir.) cert. denied,493 U.S. 872
(1989) 7, 15, 16

Compco Corp. v. Day - Brite Lighting,
376 U.S. 234 (1964) 10, 16, 17

In re Deister Concentrator Co.,
289 F.2d 496 (C.C.P.A. 1961) 20

Ferrari SpA Esercizio v. Roberts,
944 F.2d 1235 (6th Cir. 1991), cert. denied,
112 S. Ct. 3028 (1992) 15, 17

In re Honeywell, Inc.,
497 F.2d 1344 (C.C.P.A.), cert. denied,
419 U.S. 1080 (1974) 20

Kohler Co. v. Moen Inc.,
12 F.3d 632 (7th Cir.
1993) 10, 12, 14, 16, 19

L.A. Gear, Inc. v. Thom McAn Shoe Co.,
988 F.2d 1117 (Fed. Cir.), cert. denied,
114 S. Ct. 291 (1993) 10, 19, 20

In re Mogen David Wine Corp.,
328 F.2d 925 (C.C.P.A. 1964) 15

In re Morton-Norwich Products, Inc.,
671 F.2d 1332 (C.C.P.A.
1982) 7, 20, 24

Nabisco Brands, Inc. v. Conusa Corp.,
722 F. Supp. 1287 (M.D.N.C.), aff'd mem.,
892 F.2d 74 (4th Cir. 1989) 21

Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.,
469 U.S. 189 (1985) 14

Qualitex Co. v. Jacobson Products Co.,
115 S. Ct. 1300 (1995).
131 L. Ed. 2d 248 . . . . . 8, 9, 19, 20

Sears, Roebuck & Co. v. Stiffel Co.,
376 U.S. 225 (1964) 10, 16, 17

In re Shakespeare Co.,
289 F.2d 506 (C.C.P.A. 1961) 20

Sicilia Di R. Biebow & Co. v. Cox,
732 F.2d 417 (5th Cir. 1984) 7

Truck Equip. Serv. Co. v. Fruehauf Corp., 536 F.2d 1210 (8th Cir.)
cert. denied 429 U.S. 861 (1976) 15

Two Pesos, Inc. v. Taco Cabana, Inc.,
112 S. Ct. 2753, 120 L.Ed.2d 615 (1992) 8

Vaughan Manufacturing Co. v. Brikam International, Inc.,
814 F.2d 346 (7th Cir. 1987) 19

Vuitton et Fils S.A. v. J. Young Enterprises, Inc.,
644 F.2d 769 (9th Cir. 1981) 9

W. T. Rogers Co. v. Keene,
778 F.2d 334 (7th Cir. 1985) 19

STATUTES

15 U.S.C. § 1121 2

15 U.S.C. § 1125(a) 6, 7, 18

28 U.S.C. § 1254(1), 1331, 1332(a), 1367 2

MISCELLANEOUS

Dratler, "Trademark Protection for Industrial Designs" 1988 *U. Ill. L. Rev.* 887 (1988) 19

McCarthy on Trademarks and Unfair Competition (3d ed 1995) 13, 14, 19

Reese, "Defining the Elements of Trade Dress Infringement under Section 43(a) of the Lanham Act" *2 Intell. Prop. L. J.* 103 (1994) 19

Restatement (Third) of Unfair Competition § 17 (1995) 8

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1995

VORNADO AIR CIRCULATION SYSTEMS, INC.,
Petitioner,

v.

DURACRAFT CORPORATION,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE TENTH CIRCUIT

Petitioner, Vornado Air Circulation Systems, Inc. ("Vornado"), petitions this Court for a writ of certiorari to review the judgment of the United States Court of Appeals for the Tenth Circuit in this case.

OPINIONS BELOW

The opinion of the Tenth Circuit is reported at 58 F.3d 1498, 35 U.S.P.Q.2d 1332 (10th Cir. 1995) and is

reprinted in Appendix A (*infra*, 1a - 37a). The unpublished memorandum and order of the United States District Court for the District of Kansas is reprinted as Appendix B (*infra*, 37a - 118a).

JURISDICTION

The Tenth Circuit entered its judgment on July 5, 1995. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1). The basis for federal jurisdiction in the court of first instance was 28 U.S.C. § 1331; 28 U.S.C. § 1332(a); 28 U.S.C. § 1367; and 15 U.S.C. § 1121. (Appendix B, *infra*, 60a).

STATUTORY PROVISIONS INVOLVED

15 U.S.C. § 1125(a) (Lanham Act, Sec. 43(a)) Unregistered Marks; False or Misleading Descriptions and Representations

Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which -

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

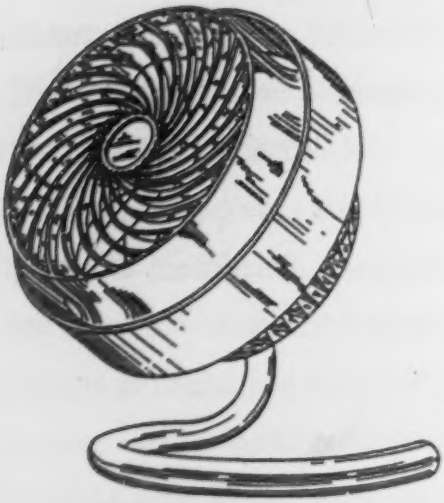
STATEMENT OF THE CASE

This case involves the Tenth Circuit's reversal, on a point of federal intellectual property law, of a judgment by the District Court that defendant Duracraft Corporation ("Duracraft") has infringed Vornado's valid trade dress rights in the spiral grill of its household fans. (Drawings showing the basic "look" of the Vornado and Duracraft fan grills appear on the following page; photographs of the actual fans are attached to the District Court's opinion, Appendix B, *infra*, 115a - 116a.)

SUMMARY

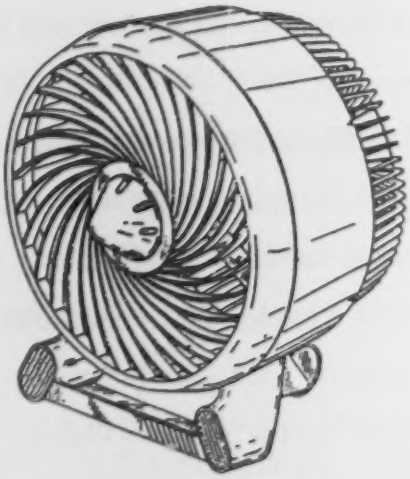
In sum, this case requires resolution of an important issue of federal intellectual property law vital to national competitiveness. For years, federal district and appellate courts have wrestled with this interesting issue, but only on the basis of inferences and intimations drawn from Supreme Court cases which are in the field but not on point.

Should the harmony of federal trademark law and federal patent law be disturbed by pitting one type of intellectual property protection against another? In particular, should federal patent law nullify protection of a product configuration which is valid and protectable trade dress under federal trademark law, **when consumers are confused by copies of the product?** Most federal circuit courts have said "no." Now, the Tenth Circuit has said



Vornado Fan

from D312,124 DX 10
Appeal Record III, 1725



Duracraft Fan

from D323,708 DX 3
Appeal Record III, 1675

"yes." Review by the Supreme Court is needed to rectify this split of circuits and to restore the harmony of federal intellectual property law.

BACKGROUND

The facts of the case pertinent to this petition are simple and undisputed. The Tenth Circuit's decision was limited to a point of law.

In 1988, Vornado began selling household fans made in Kansas and distinguished by a front grill structure with spiral (or arcuate) vanes. In May 1990, Vornado obtained a utility patent (later re-issued) claiming a ducted fan with multiple elements, one being a spiral grill. While the patent described certain practical aspects of the grill, the grill alone was not patented, the general idea being already in the public domain.

Later in 1990 Duracraft began selling household fans made in China with a spiral grill which Duracraft had intentionally copied from the Vornado fan.

1. The District Court Decision

When Vornado sued in federal court to stop Duracraft's grill copying, the principal claim was trade dress infringement under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). Vornado made no claim of patent infringement, both parties agreeing that the combination of

elements in the Duracraft fan was not covered by the claimed combination of elements of the Vornado patent.

The District Court after a bench trial found trade dress infringement under federal law, and explained its judgment in a 70 page opinion. In particular, the District Court found that the Vornado spiral grill was "inherently distinctive" and therefore valid and protectable as Vornado's exclusive trade dress. The District Court also found that Duracraft's copies were likely to cause confusion - and therefore infringed under 15 U.S.C. § 1125(a).

The District Court carefully considered Duracraft's defense that the spiral grill design was "functional." The functionality test used by the District Court followed controlling Tenth Circuit precedent, and turned on whether "the protection of the configuration would 'hinder competition or impinge upon the rights of others to compete effectively in the sale of goods.'"[1] Focusing on "competitive need", the test is used by most other appellate courts[2]; endorsed by the Supreme Court;[3] and given as

---

[1] Appendix B, *infra, 72a (quoting Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 519 (10th Cir. 1987)).

[2] *E.g., Sicilia Di R. Biebow & Co. v. Cox,* 732 F.2d 417, 429 (5th Cir. 1984); *Clamp Mfg. Co. v. Enco Mfg. Co.*, 870 F.2d 512, 516 (9th Cir.) *cert. denied,* 493 U.S. 872 (1989); *In re Morton-Norwich Prods., Inc.*, 671 F2.d 1332, 1341 (C.C.P.A.

black letter law in the Restatement.[4]

As explained by the District Court in accord with such authorities, the test serves to balance the interests of (l) free competitive copying of unpatented designs, and (2) a marketplace where a seller's goodwill is protected and consumers may make purchasing decisions without trademark confusion. *See esp. Qualitex Co. v. Jacobson Prods. Co.*, __ US __, 115 S. Ct. 1300, 1304, 131 L.Ed.2d 248 (1995)

The District Court applied the competitive need/functionality test to answer the following factual question: Did the Vornado grill afford superior performance characteristics (in terms of superior air flow, strength, manufacturing costs, etc.) so as to be necessary for Duracraft to compete effectively in the sale of fans? In addition to the availability of alternative designs, the Court considered a wide variety of evidence, including Vornado's

---

1982).

[3] *Qualitex Co. v. Jacobson Prods. Co.*, ____ U.S. ____, 115 S. Ct. 1300, 1304, 131 L.Ed.2d 248 (1995); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, 2760, 120 L.Ed.2d 615, 627-28 (1992).

[4] Restatement (Third) of Unfair Competition § 17 (1995).

concerning certain practical aspects of the spiral grill appearing in the patent.

In the critical factual finding pertinent to this petition, the District Court found that the Vornado spiral grill was nonfunctional.[5]

It is important to note that the District Court's finding that Vornado's spiral grill is not functional is premised on the same "competitive need" grounds used by the Court in *Qualitex Co. v. Jacobson Products Co.*, ___ U.S. ___, 115 S. Ct. 1300 (1995) in concluding that color alone is not necessarily functional. *Id.* at 1304. In *Qualitex* the Court observed that "the fact that sometimes color is not essential to a product's use or purpose and does not affect cost or quality -- indicates that the doctrine of 'functionality' does not create an absolute bar to the use of color alone as a mark." A functional feature is one which "would put competitors at a significant non-reputation-related disadvantage" to do without. *Id.*

Similarly, the District Court found that Vornado's

---

[5] The issue of functionality has been consistently treated as a question of fact. *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 520 (10th Cir. 1987); *Vuitton et Fils S.A. v. J. Young Enters, Inc.*, 644 F.2d 769, 775 (9th Cir. 1981); *see Cable Elec. Prods., Inc. v. Genmark, Inc.*, 770 F.2d 1015, 1030 (Fed. Cir. 1985).

spiral grill did not "represent any improvement in performance versus other grills", and did not offer "any savings in manufacturing costs as compared to other grills." Additionally, the District Court found that the spiral grill was "essentially a symbolic feature that is conceptually separate from the utilitarian aspects of the grill" and, therefore, not essential to the fan's use or purpose. Nor were there only a limited number of feasible design alternatives.

The District Court addressed at length Duracraft's legal argument that federal patent law gave it the right to copy the grill. The Court considered the impact of three Supreme Court cases: *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964); *Compco Corp. v. Day - Brite Lighting*, 376 U.S. 234 (1964); and *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989), as well as the latest circuit court rulings in the field, *Kohler Co. v. Moen Inc.*, 12 F.3d 632 (7th Cir. 1993), and *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117 (Fed. Cir.), *cert. denied*, 114 S. Ct. 291 (1993).

In the critical legal conclusion pertinent to this petition, the District Court held that federal trademark law did not conflict with federal patent law, given the mediation and accommodation provided by the functionality test. The

court noted that "statutes are to be construed, if possible, in harmony with the Constitution and with other applicable statutes."

Finally, having decided the validity and enforceability of Vornado's trade dress under federal law, the District Court made factual findings that Duracraft's copies had caused likelihood of confusion and were therefore infringements. (Appendix B, *infra*, 94a - 95a).

2. The Tenth Circuit Decision

It is critical to this petition to be clear that the Tenth Circuit's reversal was limited to an issue of law involving the relationship of federal patent and federal trademark protection. The court found them to be in conflict, and resolved the conflict by nullifying trade dress protection on policy grounds.

Duracraft did not challenge -- and the Tenth Circuit did not disturb -- the District Court's factual finding that Vornado's spiral grill trade dress was nonfunctional.[6] There is no question at this stage of the case that Vornado's trade

---

[6] As the Tenth Circuit stated (Appendix A, *infra*, 9a n.4): "We need not decide whether the court's factual finding was clearly erroneous, because we decide this case on a point of law." The court further stated (Appendix A, *infra*, 12a): "[F]inding the patent law argument to be dispositive, we do not decide the other questions."

dress is valid and enforceable as far as federal trademark law is concerned.[7] The issue now is not whether the patent is evidence of the functionality of the grill,[8] but whether the existence of the patent is a legal basis for nullification of valid trade dress rights on grounds of public policy.

Nor is there any question about the District Court's finding of likely consumer confusion. Indeed, the Tenth Circuit acknowledged the confusion but dismissed it as "a peripheral concern", apparently based on a hope or expectation that consumers someday will learn not to be confused by product shapes. (Appendix A, *infra*, 34a).

In essence, the Tenth Circuit concluded that it would not construe federal patent law and federal trademark law in harmony and that the Lanham Act "must give way". (Appendix A, infra, 28a). *But see Kohler,* 12 F.3d at 642 ("[A] fundamental rule of statutory construction requires that

---

[7] While the Tenth Circuit questioned whether the Vornado grill had "acquired distinctiveness" (secondary meaning), it accepted the District Court's finding that the grill design was "inherently distinctive." (Appendix A, *infra,* 10a - 11a and n.7). Either measure of distinctiveness establishes the validity of the trade dress, as the Tenth Circuit recognized under Supreme Court precedent. (*Id,* 12a - 13a)

[8] This is the usual role of utility patents in product shape trade dress cases. *See* J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 7.29 (1995) (hereinafter *McCarthy).*

statutes are to be construed, if possible, in harmony and with the Constitution and other applicable statutes.") *and* Appendix B, *infra*, 109a.

REASONS FOR GRANTING THE PETITION

1. The Decision of the Tenth Circuit Conflicts with Decisions of the Sixth, Seventh and Other Circuits

At every stage of its reasoning process, and in the final result, the Tenth Circuit split with the other circuits.[9]

The most fundamental split is glaring. The Tenth Circuit's basic conclusion was that perpetual trade dress protection for a nonfunctional product shape appearing in a patent would "significantly undermine[]" (Appendix A, *infra*, 34a); "directly interfere with"; and "impinge[] seriously upon" the patent system. (*Id*, 30a, 31a) By contrast, the generally accepted rule, as stated by the leading commentator, is "that patent, trademark and copyright are separate and independent forms of protection. As a general principle, the presence or absence of one does not automatically preclude protection under another." *McCarthy*, § 6.01[5] (1995). In accord, the Supreme Court

---

[9] At places, the Tenth Circuit expressly or tacitly acknowledges the splits with citations to contrary opinions from other circuits. *See* Appendix A, *infra*, 23a - 26a.

has summarized the different principles of patent and trademark protection, as set forth in the margin.[10]

The clearest indicator of a split is the Tenth Circuit's reliance on the reasoning of **dissenting** opinions in recent Sixth Circuit and Seventh Circuit cases, which relied in turn on opinions of yet other circuit courts. (Appendix A, *infra*, 25a - 26a).

• The Seventh Circuit majority in *Kohler Co. v. Moen Inc., supra*, concluded that patent law and trademark law serve different public interests in different ways, without

---

[10] **Trademark Law.** "First, patent law seeks to foster and reward invention; second, it promotes disclosure of inventions to stimulate further innovation and to permit the public to practice the invention once the patent expires; third, the stringent requirements for patent protection seek to assure that ideas in the public domain remain there for the free use of public." *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262 (1979).

Patent Law. "The Lanhan Act provides national protection of trademarks in order to secure to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers. National protection of trademarks is desirable, Congress concluded, because trademarks foster competition and the maintenance of quality by securing to the producer the benefits of good reputation." *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 198 (1985).

conflict.[11]

• The Sixth Circuit majority in *Ferrari S.P.A. Esercizio v. Roberts* [12] reached the same conclusion.

By its specific holding that a utility patent nullifies valid trade dress rights as a matter of policy, the Tenth Circuit acknowledged its split from the Ninth Circuit in a very similar case, *Clamp Mfg. Co. v. Enco Mfg. Co.* There, as here, the district court considered a utility patent as evidence of functionality but finally held, based on all the evidence, that the product configuration was nonfunctional and protectable as valid trade dress. The Ninth Circuit affirmed, implicitly finding no conflict between patent law and trademark law.[13] The Tenth Circuit candidly cited yet

---

[11] As authority for this conclusion, the Seventh Circuit relied on, *inter alia, In re Mogen David Wine Corp.*, 328 F.2d 925, 930 (C.C.P.A. 1964).

[12] 944 F.2d 1235, 1241 (6th Cir. 1991) (citing, *inter alia, Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1215 (8th Cir.), *cert. denied*, 429 U.S. 861 (1976)), *cert. denied*, 112 S. Ct. 3028 (1992).

[13] 870 F.2d 512 (9th Cir. 1989). While the Ninth Circuit may have "assumed without discussion" (Appendix A, *infra*, 33a - 34a) that a utility patent would not establish trademark functionality as a matter of law, the lower court in that case explicitly stated the assumption in denying a motion for summary judgment on that very issue. *Clamp Mfg. Co. v. Enco Mfg. Co.*, 227 U.S.P.Q. 335, 336 (C.D. Cal. 1985), *later proc.*, 5 U.S.P.Q.2d

other courts having that view. (Appendix A, *infra*, 25a).

The need for Supreme Court review of this case is underscored by the fact that the Tenth Circuit and the others have drawn very different lessons from the same Supreme Court precedents, primarily *Sears/Compco, supra*, and *Bonito Boats, supra.*

In all three cases, the Supreme Court held that states were pre-empted from using state unfair competition laws to bestow patent-like protection on otherwise unprotected designs. Such state protection was deemed to conflict with the federal policy, expressed in the patent laws, of substantially free trade in unpatented designs and utilitarian concepts.

The Tenth Circuit sees in these cases a "clear and continuing trend . . . in favor of the public's right to copy." (Appendix A, *infra*, 21a). No other court has followed such a "trend" to the point of recognizing a right to cause consumer confusion by copying someone else's valid trade dress.

Most recently, majorities in the Seventh Circuit in *Kohler v. Moen* and the Sixth Circuit in *Ferrari v. Roberts* have both rejected so broad an interpretation of

---

1643 (C.D. Cal. 1987), *aff'd*, 870 F.2d 512 (9th Cir.), *cert. denied*, 493 U.S. 872 (1989).

Sears/Compco and *Bonito Boats*, citing many precedents. Those circuits point out that the Supreme Court cases involved only federal pre-emption of state law, not the scope of federal trademark or unfair competition law. "**Because trademark law and patent law address different concerns**, and because of the narrow focus of the Supreme Court's inquiry in *Compco* and *Sears*, courts have explicitly held that these decisions do not preclude Lanham Act protection of designs." *Ferrari*, 944 F.2d at 1241 (emphasis added).

Apart from these distinctions, the Supreme Court cases actually give "affirmative indications" that the Tenth Circuit's interpretation is wrong.

First, the Court in *Compco* expressly noted that a competitor can copy at will if the design is "not entitled to a design patent **or other federal statutory protection**." 376 U.S. at 238 (emphasis added). Of course, the Lanham Act, which includes 15 USC § 1125(a), is just such a statute, and so may operate against copying without usurping the patent law.[14]

Second, in *Bonito Boats* the Supreme Court stressed that the reasoning of *Sears/Compco* did not limit federal law:

---

[14] *Ferrari*, 944 F.2d at 1241; *Kohler*, 12 F.3d at 640.

> Indeed, there are affirmative indications from Congress that both the law of unfair competition and trade secret protection are consistent with the balance struck by the patent laws. Section 43(a) of the Lanham Act [15 U.S.C. § 1125(a)] creates a federal remedy for making "a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same . . . ." Congress has thus given federal recognition to many of the concerns that underlie the state tort of unfair competition, and the application of Sears and Compco to nonfunctional aspects of a product which have been shown to identify source must take account of competing federal policies in this regard.

489 U.S. at 166.[15]

In sum, the Supreme Court precedents do not support the Tenth Circuit's conclusion. Indeed they point in the opposite direction.

Avowedly in conflict with the other courts that have considered the issue, the Tenth Circuit also held that the

---

[15] The Tenth Circuit did indeed "take account of competing federal policies", but with a result in conflict with the other circuits.

functionality doctrine was "an incomplete answer" to the potential conflict between trademark and patent law. (Appendix A, *infra*, 24a - 27a). *See, e.g., Vaughan Mfg. Co. v. Brikam Int'l, Inc.*, 814 F.2d 346, 349 (7th Cir. 1987); *W. T. Rogers Co. v. Keene*, 778 F.2d 334, 337 (7th Cir. 1985) (Posner, J.)[16] Furthermore, the Tenth Circuit acknowledged that its holding would seem to run afoul of the Supreme Court's indication in *Qualitex*, 115 S. Ct. at 1304, of its approval of the "competitive need" test. (Appendix A, *infra*, 24a). *See Kohler Co. v. Moen Inc.*, 12 F.3d at 642.

Finally, while the Tenth Circuit found the legislative history of the Trademark Law Revision Act of 1988 to be "ambiguous", the Federal Circuit has found in it "reassurance that protection of distinctive trade dress was not eliminated by *Sears* and *Compco*." *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1131 (Fed. Cir. 1993),

---

[16] *See also McCarthy* § 7.26[1], at 7-116 (1995) ("[T]he primary rationale behind the public policy requirement of non-functionality is the need to accommodate trademark and unfair competition law with utility patent law.")(citing Dratler, "Trademark Protection for Industrial Designs," 1988 U. Ill. L. Rev. 887, 938-40 (1988)); Reese, "Defining the Elements of Trade Dress Infringement under Section 43(a) of the Lanham Act," 2 Tex. Intell. Prop. L.J. 103, 121 (1994).

cert. denied, 114 S. Ct. 291 (1993).[17]

The consequences of the Tenth Circuit's divergent logic is brought home by applying it to a simple but well known product shape trademark: the unique ring configuration of LIFESAVERS candy, "the best-selling candy in history." Because the shape was shown in a patent which expired in the 1930s, the Tenth Circuit's reasoning

---

[17] In this portion of its analysis, the Tenth Circuit relied on an old C.C.P.A. case, *In re Shakespeare Co.*, 289 F.2d 506 (C.C.P.A. 1961). There, according to the Tenth Circuit, the C.C.P.A. held "as a matter of policy" that protection of a nonfunctional trade dress would "impermissibly interfere with the patent law." (Appendix A, *infra*, 24a). If it was "policy" that guided the C.C.P.A., there was very little discussion of it. In any event, the Tenth Circuit overlooked (a) the factual basis of the *Shakespeare* holding that the trade dress was the "necessary" result of using a patented manufacturing process; (2) the fact that the patent was direct evidence of the functionality of the trade dress, *In re Honeywell, Inc.*, 497 F.2d 1344, 1348 (C.C.P.A.), *cert. denied*, 419 U.S. 1080 (1974); and (3) the C.C.P.A.'s later cases which indicate no inherent conflict between patent law and trademark law. *In re Deister Concentrator Co.*, 289 F.2d 496, 501 & n.3 (C.C.P.A. 1961)(Rich, J.)("We . . . see no reason to consider appellant's patents except to the extent they may contain evidence of the functionality of the outline shape sought to be registered as a trademark."). In the view of the C.C.P.A. (now the Federal Circuit), a utility patent may **evidence** functionality, but does not compel divestment of trademark rights **as a matter of policy**. *See In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1340-41 (C.C.P.A. 1982) (patent is one type of evidence of functionality).

would permit the sale of confusingly similar ring shaped candy even though the shape is deemed to be nonfunctional and distinctive trade dress.[18]

2. By Using a Patent to Nullify a Valid Trademark as a Matter of Policy the Tenth Circuit Has Undermined the Carefully Balanced System of Federal Intellectual Property Law

The Tenth Circuit's erroneous premise of fundamental conflict between patent law and trademark law inevitably produced error in the ultimate holding: "We hold that where a disputed product configuration is part of a claim in a utility patent, and the configuration is a described significant inventive aspect of the invention so that without it the invention could not fairly be said to be the same invention, patent law prevents its protection as trade dress, even if the configuration is nonfunctional." (Appendix A, *infra*, 35a - 36a)(citation omitted).

The holding was carefully chiseled into flawed stone. The Tenth Circuit worried that trade dress protection would

---

[18] *Nabisco Brands, Inc. v. Conusa Corp.*, 722 F. Supp. 1287 (M.D.N.C.), *aff'd mem.*, 892 F.2d 74 (4th Cir. 1989). The fact that the Lifesavers patent was a design patent, not a utility patent, might distinguish the case, strictly speaking. However, as the Tenth Circuit has pointed out (Appendix A, *infra*, 21a), the "trend" of cases may be "impossible to ignore"; however, one might quibble about technical distinctions.

indefinitely extend Vornado's patent monopoly. The worry was needless because Vornado never had a monopoly (based on a "part of a claim") on the spiral grill (the "disputed product configuration").

This simple fact was obvious from the start of the litigation: Vornado didn't sue Duracraft for patent infringement, **because the patent wasn't infringed**. Duracraft reached that conclusion when originally designing around the patent; Vornado concurred by limiting its complaint to trademark law. (Appendix B, *infra*, 46a - 47a; 50a) Nor did the Court adjudicate the validity of the patent. (Appendix A, *infra*, 16a and n.12).

Vornado never claimed a spiral grill per se as a protectable invention; rather, a grill is merely one element that must exist in combination with other claimed elements in order to be protected by the patent. The claims of a patent define the invention, which is what the patentee temporarily monopolizes and ultimately yields to the public domain. Never having enjoyed a patent monopoly on the grill as such, there was no risk that Vornado would contravene the patent system by extending that monopoly indefinitely. The "disputed product configuration" as such at all times has been outside the enforceable scope of the patent.

The Federal Circuit, specialist in patent matters, has cautioned that, when a utility patent is applied to the issue of product shape functionality, the patent must be properly construed and interpreted in accordance with established rules of patent construction. *Black & Decker, Inc. v. Hoover Serv. Ctr.*, 886 F.2d 1285, 1290-91 (Fed. Cir. 1989). The Tenth Circuit ignored those rules by focusing only on part of a claimed combination; its key phrases ("part of a claim . . . described significant inventive aspect") have the ring -- but not the authority -- of patent law.

The Tenth Circuit feared that Vornado would use its trademark to defeat the patent system, but in actuality has permitted Duracraft to defeat both the trademark system and the patent system. Duracraft the copier has had its cake (avoiding patent infringement) and eaten it too (using the patent to defeat the trademark), leaving Vornado the originator with no rights at all.

As the result of pitting patent law and trademark law against each other, the Tenth Circuit vindicated an illusory patent right at the cost of confusion of the public due to trade dress infringement. For this very reason, all the other courts have accommodated patent law and trademark law with the "competitive need" test. "[T]he public policy involved in this area of the law [is], not the **right** to

slavishly copy articles which are not protected by patent or copyright, but the **need** to copy those articles, which is more properly termed the right to compete **effectively**." *Morton-Norwich,* 671 F.2d at 1339 (emphasis in original).

CONCLUSION

For the reasons set forth, Vornado respectfully petitions this Court for a writ of certiorari to review the judgment of the Tenth Circuit.

Respectfully submitted,

Edward M. Prince*
Peter W. Gowdey
Richard L. Kirkpatrick
CUSHMAN DARBY & CUSHMAN, L.L.P.
1100 New York Avenue, N.W.
Ninth Floor
Washington, D.C. 20005-3918
202 861-3000
Attorneys for Petitioner

*Counsel of Record